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Socio-Political Consequences of Forced Migration: The Case of Indian Indentured Workers to Fiji

The first military coup d'état in the South Pacific occurred on the 108th anniversary of the first arrival in Fiji of Indian indentured labourers.¹ At 10am on Thursday, 14th May 1987, a group of ten soldiers in combat gear armed with M16 assault rifles and led by an indigenous Fijian soldier in a suit stormed into the Fijian parliament, taking members of the month-old, democratically-elected government hostage.² Three more coups have taken place since and each was followed by an economic collapse, a spike in poverty, and an exodus of Indo-Fijians from the nation of their birth.

The coup of 1987 was rationalised as a return of political control to the indigenous population as the newly-elected government was purported by the perpetrators as being dominated by those of Indian heritage.³ However, on the day of the coup the most senior positions in government, including those of the Governor General, the Prime Minister, the Speaker of Parliament, and the Leader of Opposition, were all held by indigenous Fijians.⁴ If Indo-Fijians were not, in fact, dominating the government, what were the reasons for the coup? Indigenous Fijian paramountcy, according to one author, was an excuse as the same "propaganda [was] used by European and Fijian chiefs for their own political purposes in the colonial era".⁵ Sutherland attributes the coup to a class

¹ Victor Lal, *Fiji, Coups in Paradise: Race, Politics and Military Intervention* (London, Atlantic Heights New Jersey: Zed Books, 1990), 192–221.

² Robert Robertson and Akosita Tamanisau, *Fiji: shattered coups* (Sydney: Pluto Press, 1988), 59–84.

³ John Sharpham, *Rabuka of Fiji: The Authorised Biography of Major-General Sitiveni Rabuka* (Australia: Central Queensland University Press, 2000), 88–102.

⁴ Satendra Nandan, *Requiem for a rainbow: a Fijian Indian story* (Canberra: Pacific Indian Publications, 2001), 25.

⁵ Stephanie Lawson, *The failure of democratic politics in Fiji*, (Clarendon Press, Oxford, 1990), 261.

struggle between chiefs, tribes, eastern and western indigenous Fijians, and urban and rural folk.⁶

This paper argues that there were two main contributing factors to the political strife in postcolonial Fiji and both the result of colonisation a century ago: first, the exclusionary political institutions of which the chiefs from eastern Fiji were the main beneficiaries; and, second, the extractive economic institutions of which indentured labourers were the main victims. Independent Fiji in the lead-up to the first coup was governed by descendants of the privileged chiefs who, for the first time, had lost power in the national elections of April 1987 to a coalition comprising the Fiji Labour Party, which had its roots in the trade unions, and the National Federation Party with its majority Indo-Fijian support: the coup restored power to the displaced chiefs.⁷

This paper examines some of the main causes of the plight (and poverty) of contemporary Fiji: elitist politics; the role of indentured labour; the contribution of the global sugar industry; and the politics of rent extraction. It links two strands of the extant literature: the first on the forms of social organisation dating back to the mid-twentieth century⁸; and the second to the recent literature on settler versus extractive colonies and the contributions of institutions versus endowments to the observed differences in developmental outcomes across nations.⁹ There is an emerging consensus that ‘institutions rule’ and this ‘trumps geography and international trade’ in explaining the differences in the levels of development across nations.¹⁰ Colonial history has been used as an explanation for the form of institutions implanted: places chosen for permanent settlement, such as Australia, benefited from inclusive political and economic institutions that were conducive to growth in income and mass participation in politics, while others that were occupied for extraction of resources had the opposite experience.¹¹ In the Fijian case, power and wealth was distributed inequitably at the early stages of colonisation, which has had an enduring effect on political and economic freedom.

The coups in Fiji, in sum, are the product of a splintering of a system weighed down on the one end by elitist politics and on the other by the demands of a modern

⁶ William Sutherland, *Beyond the Politics of Race: an alternative history of Fiji to 1992* (Canberra: Department of Political and Social Change, Research School of Pacific Studies, Australian National University, 1992), 129ff.

⁷ *Ibidem*, 181.

⁸ Sidney Mintz, “The Culture History of a Puerto Rican Sugar Cane Plantation: 1876–1949”, *The Hispanic American Historical Review*, 33 (1953): 224–251.

⁹ David Acemoglu, “Root causes”, *Finance & Development* 40 (2003): 27–43.

¹⁰ Cf. Dani. Rodrik, Arvind Subramanian, and Francesco Trebbi, *Institutions rule: the primacy of institutions over geography and integration in economic development*, (National Bureau of Economic Research, Cambridge, USA, 2002).

¹¹ Daron Acemoglu, Simon Johnson, James Robinson, “The colonial origins of comparative development: An empirical investigation”, *American Economic Review*, 91 (2001): 1369–1401.

democracy. The paternalistic policies put in place at colonisation quarantined the indigenous population to their traditional ways of village life¹² under the tutelage of a hierarchy of chiefs in what is referred to as 'non-transformative colonisation' in the literature.¹³ Rights to un-alienated land, comprising some 82 percent of the total, were vested in the indigenous population, with tribal chiefs given the majority share of income arising from the leasing of this land.¹⁴ This created a highly stratified and unequal indigenous society built on rent-seeking. The indentured workers were relegated to the bottom stratum and were the source of rents for the elite. The survival of such a society was put under pressure from the demands of a market economy based on universal franchise. The national elections of 1987 transferred power from the chiefly elite; but the coup that followed suggests that extractive institutions won this round of the struggle.

Fiji, as explained later, was a typical extractive colony. The institutions implanted at colonisation were to serve the interests of the colonialists and the chiefs. Chiefs from the east, who had ceded Fiji to Britain, gained most since the rest of the nation was brought into the fold of the new administration through the use of armed force.¹⁵ Independence on 10 October 1970 handed political power to descendants of the eastern chiefs who took a leaf out of their colonial predecessors, supporting a chiefly and merchant elite and cementing their position in politics and the economy.¹⁶ Fiji is not an exception on this count. Institutions in extractive colonies were developed to protect and enrich the elite while the rule of law was applied selectively; rights to property were absent for many; the elites had disproportionate power in politics and the economy; and only the privileged had access to education, credit, and natural resources.¹⁷ Importantly, institutions created at colonisation have persisted so that reforms intended for the benefit of the majority have failed to materialise; leaving those lumbered with an initial handicap being left further behind in terms of prosperity long afterwards. The highly inequitable distribution of rights to land (and power) put in place at colonisation impeded political participation and taxed prosperity.¹⁸

¹² Atu Bain, "A protective labour policy? An alternative interpretation of early colonial labour policy in Fiji" *The Journal of Pacific History* 23 (1988): 119–136.

¹³ Lorenzo Veracini, "Emphatically Not a White Man's Colony", *Journal of Pacific History*, 43 (2008): 189–205.

¹⁴ Ralf Ward, Elizabeth Kingdon "Land, law and custom: diverging realities in Fiji", *Land, custom and practice in the South Pacific*, (1995), 198–249.

¹⁵ Cf. Peter France, *The charter of the land: custom and colonization in Fiji*, (Melbourne: Oxford University Press, 1969).

¹⁶ Stephanie Lawson. *The failure of democratic politics in Fiji*. (Clarendon Press, Oxford, 1990): pages 158–194.

¹⁷ Cf. Ross Levine, *Law, endowments, and property rights* (Cambridge, Mass.: National Bureau of Economic Research, 2005).

¹⁸ Kenneth Sokoloff, Stanley Engerman, "History lessons: Institutions, factor endowments, and paths of development in the new world", *The Journal of Economic Perspectives*, 14 (2000), 217–232.

People, Power, and the Politics of Race

The coverage here is brief and focussed on the institutions created in the lead-up to colonisation that have since thrived and contributed to rent extraction and ethnic politics in postcolonial Fiji. Slavery was abolished in the British Empire in 1834, which led to the advent of the indentured labour system whereby workers were recruited and shipped from labour-abundant parts of the British Commonwealth to places in demand of their services.¹⁹ This experiment began with the arrival of 36 labourers onboard the ship *Atlas* that reached Mauritius on 3 November 1834 and ended with the landing of 888 immigrants on *Sutlej V* in Fiji on 11 November 1916.²⁰ Furthermore, Indian indentured workers were shipped to Guyana (from 1835–1922), Trinidad & Tobago (1851–1917), South Africa (1860–1911), and Suriname (1853–1916).²¹ The first ship-load of 463 Indian indentured workers to Fiji arrived on 14 May 1879. From then to November 1916, a total of 87 vessels ferried a total of 60,553 Indian indentured workers to the colony.²² The workers were posted to work on the sugar plantations with the majority being run by the Australian-owned and operated Colonial Sugar Refining Company (CSR). The indentured labour system was abolished in 1916 following grass roots agitation in India over the maltreatment of the workers, which was led by Mahatma Gandhi.²³

The formation of the Fijian state and the import of indentured Indian labour to work on sugar plantations owned by CSR set the tone for the subsequent development of the economy and politics in Fiji. CSR was established in Australia in 1855 and commenced operations in Fiji in 1880, at the encouragement of the colonial government, with the purchase of its first sugar mill in Nausori in 1882.²⁴ The colony needed an economic base and the first governor saw sugar as the industry that would achieve it and CSR as the handmaiden. In attracting CSR to Fiji, the colonial authorities provided 928 acres of alluvial flat land at a nominal price of £2/acre and assistance in the recruitment of labour.²⁵ CSR, for its part,

¹⁹ Hugh Tinker, *A New System of Slavery* (London: Oxford University Press, 1974), 65–115.

²⁰ Richard Allen, "Capital, illegal slaves, indentured labourers and the creation of a sugar plantation economy in Mauritius, 1810–60", *The Journal of Imperial and Commonwealth History* 36 (2008), 151–170 and Kenneth Gillion, *Fiji's Indian Migrants: a History to the End of Indenture in 1920*, (Melbourne: Oxford University Press, 1962), 214.

²¹ Cf. Adrian Mayer, *Peasants in the Pacific: a study of Fiji Indian rural society*, (Berkeley: Univ of California Press, 1973) and Kay Saunders, *Indentured labour in the British Empire, 1834–1920* (Australia: Routledge Kegan & Paul, 1984).

²² Gillion, *Fiji's Indian Migrants* ..., 212–214.

²³ Cf. Totaram Sanadhya, *My twenty-one years in the Fiji Islands* (Suva: Fiji Museum, 1991).

²⁴ Michael Moynagh, *Brown Or White?: A History of the Fiji Sugar Industry, 1873–1973* (Canberra: Australian National University, 1981), 12–39.

²⁵ Bruce Knapman, "Capitalism's Economic Impact in Colonial Fiji, 1874–1939: Development or Underdevelopment?", *The Journal of Pacific History* 20 (1985), 66–83.

saw Fiji as a competitive source for the manufacture of sugar for its refineries and markets in Australia and New Zealand. At the time, there were other millers in the colony but by 1926 CSR had purchased all the mills: a monopoly position it maintained until its departure in 1969.²⁶

The story of exclusionary politics, however, has a longer build-up to the colonisation of Fiji. First European settlers arrived in 1804 in the form of several escaped convicts from Botany Bay in the then British colony of New South Wales (Australia) and were later joined by shipwrecked sailors (i.e. beachcombers).²⁷ Missionaries followed, reaching Fiji in 1835 to “bring light to the souls of the dark, degraded, and miserable Feejeeans”.²⁸ Fiji was then ruled by several chiefs in autonomous social groupings who were constantly at war with each other.²⁹ In 1855 Cakobau, the Chief of the little island of Bau located to the south east of the largest island of Viti Levu, won a major war with people from Rewa on the mainland through the assistance of King George of Tonga.³⁰ Cakobau converted to Christianity and with the help of the European settlers tried forming a government.³¹ The government failed, forcing Cakobau, with the encouragement of British settlers, to cede Fiji to Britain in 1874.³²

Fiji subsequently underwent three major critical junctures that set the course for the evolution of the exclusionary and extractive institutions.³³ The first was the support of King George of Tonga and the subsequent arrival of White settlers with firearms who teamed up with the Chiefs from Bau to subdue their rivals from surrounding regions. This coalition tipped the balance of power towards Cakobau, who was the chief of Bau from 1853 to his death in 1883.³⁴

The second critical juncture was the arrival of Arthur Gordon, the first resident governor, to the colony in 1874. He remained governor until 1880.³⁵ Governor Gordon banned the alienation of land, introduced communal ownership, curtailed the recruitment of indigenous labour by the European

²⁶ Moynagh, *Brown Or White...*, 31.

²⁷ Cf. John Burton. *The Fiji of to-day*, (London, CH Kelly, 1910).

²⁸ Deryck Scarr, *Fiji: a short history* (Sydney: George Allen and Unwin, 1984), 13.

²⁹ John Legge. *Britain in Fiji, 1858–1880* (Chicago: Macmillan 1958), 62 and 116.

³⁰ Legge. *Britain in Fiji...*, 12–13.

³¹ Peter France, *The charter of the land: custom and colonization on Fiji* (Melbourne: Oxford University Press, 1969), 94.

³² The reasons for failure are many including the inability to pay American debt, which originated from a fabrication by John Williams, the resident American consul, wherein goods worth \$5,000 were allegedly stolen from his Nukulau compound after a fire caused by celebrations of 4th July 1869; the sum had escalated to a demand for \$43,000 at the time of Williams' death in 1860 (Scarr, 1984, 27).

³³ Giovanni Capoccia and Daniel Kelemen. “The study of critical junctures: Theory, narrative, and counterfactuals in historical institutionalism”, *World Politics*, 59 (2007): 341–369.

³⁴ Scarr, *Fiji: A Short History...*, 51–64.

³⁵ Cf. Legge, *Britain in Fiji, 1858–1880*.

planters, and introduced a village hierarchy with the chiefs at the apex as part of his instrument for indirect rule.³⁶ Contrary to the contemporary practice in British colonies, the bulk of the land was placed under indigenous control through deliberate misreading of the Deed of Cession by the Governor.³⁷ Inalienability of land and communal tenure were devised by Governor Gordon and based on an anthropological theory of 'unilinear evolutionary development'³⁸ wherein Fijian society was deemed to have reached a stage of development from savagery to civilisation where any deviation from these norms was due to "cultural degeneracy resulting from contact with the white race".³⁹ These impositions were in sharp contrast to the shift from collective to individualised land holdings of the enclosure movement in 18th Century England, which is credited with having provided opportunity for enterprise and constituted a force for beneficial economic change.⁴⁰ The third critical juncture was the import of indentured Indian labourers: which filled the void of workers in the nascent sugar industry. The last of the above provided the cover for the struggle for power amongst indigenous Fijians and as such was the least important for the coup of 1987.

Stratification of Fijian society began with Governor Gordon's strategy of indirect rule. The Governor established a council of traditional chiefs and introduced a uniform system of native administration comprising the village, district, and provincial salaried-heads reporting to the Great Council of Chiefs (GCC). The stratification entrenched the power of the chiefs over their people and pre-colonial history elevated chiefs from the East above their peers from elsewhere. While the Council of Chiefs was set up by Governor Gordon as an advisory body, it cemented its position in society and national politics post-independence through the three national constitutions.⁴¹

Gordon's governorship (legacy) of just six years lives on in contemporary Fiji. Gordon took a highly paternalistic stance towards the indigenous population,⁴² assuming the position of a Fijian Chief sitting at the apex of society; believing

³⁶ Peter France. "The founding of an orthodoxy: Sir Arthur Gordon and the Doctrine of the Fijian Way of Life", *The Journal of the Polynesian Society*, 77 (1968): 6–32.

³⁷ Scarr, 1984, 85.

³⁸ France, 1968, 28.

³⁹ *Ibidem*, 27.

⁴⁰ David Landes. *The wealth and poverty of nations: Why some are so rich and some so poor* (WW Norton & Company, 1999), 214.

⁴¹ Governor Gordon made clear that the chiefs held their positions 'at the pleasure of the Government' and threatened to dissolve the council upon hearing that some of its members had arrived drunk to a meeting (Legge, 1958: 217). The Council was disbanded 138 years later by the Prime Minister and Fiji's Military Commander, Frank Bainimarama, on 13th March 2012.

⁴² Some credit for the paternalism is due to John Bates Thurston, a planter who reached the island of Rotuma in 1865, acted as the British Council from 1867 to 1869, then the first colonial secretary, and finally as Governor from 1888 to his death in 1897 (Cf. Legge, 1958 and Scarr, 1984). Thurston empathised with the natives, lamented "the wrongs we (Whites) have committed in the

in divinely-gifted and unparalleled understanding of Fijian society; and being bestowed with “the heart of a Fijian”.⁴³ There was, additionally, an economic and practical motivation for indirect rule achieved through the elevation of the power of chiefs. The governor had to manage a large archipelago with £100,000 advanced by Britain and to be paid back as soon as possible. The lack of funds to hire European officers forced the Governor to draw on the services of the chiefs in his administration.⁴⁴

At the suspension of indenture in 1916, a total of 62,837 Indians had come to Fiji; of whom some 60 percent were induced, with cash grants and land made available for cultivation of sugarcane, to settle in the colony.⁴⁵ The political rights of Indians in the colony, however, remained in question. The Colonial Office in London recognised them as permanent settlers but their rights to land and their place in politics remained to be resolved.⁴⁶ While the Europeans had settled on alienated land and the CSR was gifted alienated land, Indians could only lease land from the indigenous population. Furthermore, they remained ‘Indians’ while the indigenous population claimed to be ‘Fijian’: a dichotomy that remained in the official records of the nation until July 2010 when all citizens became known as “Fijians” and the indigenous as *i-taukei*. While all ethnic groups gained citizenship at independence, the national constitution mandated that only the *i-taukei* could own the in-alienated (i.e. Native) land. Indo-Fijians leased Native Land on terms ranging from 10 to 99 years, largely to grow sugarcane. The above created a tenant-landowner divide with parallel ethnic division with ramifications for rent extraction and ethnically divisive politics.

The Indian struggle for a greater share of the economic surplus from the sugar industry began with a strike by the labourers in Suva, the capital, in 1920. The colonial government responded by recruiting and mobilising indigenous Fijian and European constables against the strikers while a warship from New Zealand was moored off the coast: Narsey credits this incident as the beginning of ethnic antagonism in the colony.⁴⁷ A further strike in 1921 by Indo-Fijians over pay and working conditions in the major sugarcane growing regions to the west of the main island of Viti Levu, which lasted for six months, was broken by the

name of Christianity, civilisation, and progress” and desisted land acquisition by the European settlers, telling Gordon that: “we (Whites) are, as a race, a race of robbers and spoilers” (Scarr, 83).

⁴³ France, Peter. “The Founding of an Orthodoxy: Sir Arthur Gordon and the Doctrine of the Fijian Way of Life”. *The Journal of the Polynesian Society*, Volume 77, no. 1 (1968): 6–32, quote from p. 8.

⁴⁴ Legge *Britain in Fiji, 1858–1880...*, 155.

⁴⁵ Adrian Mayer *Indians in Fiji* (Great Britain Oxford University Press, 1963), 24–32.

⁴⁶ Kenneth Gillion. *The Fiji Indians: Challenge to European Dominance, 1920–1946* (Canberra, Australian National University Press, 1977), 4ff.

⁴⁷ Wadan Narsey. “Monopoly capital, white racism and superprofits in Fiji: a case study of the CSR”. *Journal of Pacific Studies*, 5 (1979), 66–146.

government through recruiting Fijian labour and deporting the (Indian) leader of the strikers. Another strike over pay and working conditions offered by CSR took place in 1960. These economic struggles were officially labelled “as ethnic political agitation by Indians”.⁴⁸

The politics of ethnicity took centre stage as the Indian population increased and as Fiji approached independence. By the Census of 1946 the Indian population had reached 120,414 (equal to 46 percent of the total) in comparison to the indigenous population of 118,070 (45 percent of total); while those of European descent numbered 10,746 (4 percent).⁴⁹ Carroll (1994) notes that it was then that the “Indigenes were oriented against Indians” while Norton (1990) reports that Indo-Fijians were “constructed” as an “immigrant race” who were alleged by the Europeans to be “threatening Indigenous paramountcy”, with Europeans portraying themselves as protectors of indigenous rights against the Indians.⁵⁰ On the eve of independence, the Indo-Fijian population (as of the Census of 1966 at 50.5 percent) had surpassed the indigenous population (at 42 percent) while the Caucasian population stood at 3.4 percent.

The independence Constitution of 1970 mandated 52 seats in the House of Representatives and entrenched the rights of the indigenous population to land and native administration. The seats were allocated across the three ethnic groups – Indigenous Fijians, Indo-Fijians, and ‘Others’; the last including the residual category and comprising a majority Caucasian or part-Caucasian population. Of the total of 52 seats, 12 Communal and 10 Common Roll seats were allocated to both the indigenous Fijian and the Indo-Fijian communities. The communal seats were reserved to candidates of the particular ethnicity, with voting also restricted to people registered as belonging to the particular ethnic group. As an example, only indigenous Fijians could contest the 12 communal seats allocated to this group and voting was restricted to indigenous Fijians. Indigenous-Fijian Common Roll seats, in contrast, were reserved for indigenous Fijian candidates, but voting was on the basis of universal suffrage. General Electors were allocated 3 Communal seats and 5 Common Roll seats. Thus, the House of Representatives was to have 22 Indo-Fijian members, 22 Indigenous Fijians members, and 8 members who registered as neither of the above ethnicities. And in terms of the ratio of seats in the House of Representatives to population, ‘Others’ were over-represented with a factor of 2.2; indigenous Fijians were at par; and Indo-Fijians were below par at a ratio of 0.83. The government overthrown by the coup of 1987 was elected on the basis of the 1970 Constitution. The

⁴⁸ *Ibidem*, 68.

⁴⁹ Population figures are from Fiji Islands Bureau of Statistics *Key Statistics*, March 2008 (Fiji: Government Printer, Suva), 3.

⁵⁰ Terrance Carroll. “Owners, immigrants and ethnic conflict in Fiji and Mauritius”, *Ethnic and Racial Studies*, 17 (1994): 301–324 (quote from p. 307); Robert Norton. *Race and politics in Fiji* (Australia: University of Queensland Press, 1990), 37–38.

Constitution was abrogated by the military following the second coup in 1987 and since then Fiji has had two further coups and two sets of constitutions, with another currently under design.⁵¹

Inter-ethnic rivalry took place over access to land for growing sugarcane. By the turn of the Century, approximately 88 percent of the total land area was under 'Native Title', inalienable, and owned by 6,000 clans (*mataqalis*).⁵² Native land that is deemed surplus to the needs of the *mataqali* may only be leased. A statutory corporation, the Native Land Trust Board (NLTB), was created in 1940 as the sole authority to lease Native Land for agricultural, industrial, and residential uses. NLTB deducts 25 percent of the proceeds from rent of the land as fee, the chiefs of varying ranks collect another 30 percent, leaving the balance to be distributed amongst the rest of the members of the *mataqali*.⁵³ The terms of the lease, including the level of rents, are set by the legislature. Fallow Native Land leased for sugarcane farming is developed by the lessee who, on expiry of the term of lease, can either vacate the property or renegotiate a further lease. The latter is not allowed if the land is legally 'reserved' for use by the indigenous population: an instrument used to induce entry of indigenous Fijians into sugarcane farming.⁵⁴ Disputes over a fair distribution of the proceeds from sugar between the indigenous landowners and 'Indians' provides the settings for inter-ethnic rivalry.⁵⁵

Sugar as the Instrument for Rent Extraction

Sugar has historically lent itself as an ideal industry for rent extraction. On the technology used, Landes notes that:

It took a lot of work to grow sugar cane, cut it, crush it, and refine the juice: gang labour under a hot sky; dangerous, hurried round-the-clock pressing, boiling, and skimming before the crop spoiled. In the fields, men and women did the work of animals. No ploughs, few tools, everything by hand. The idea was to make work and keep the hands busy, because idleness invited trouble. In the sugar mill, the workers fed the stalks into rollers; the smallest inattention, catch a hand, a finger, and the rest would follow. The boilers had their own small hell. Stir carefully: a splash of syrup, and the pain was excruciating.⁵⁶

⁵¹ William Sutherland, *Beyond the Politics of Race...*, 161–198.

⁵² Oscar Kurer. Land tenure and sugar production in Fiji: property rights and economic performance. *Pacific Economic Bulletin*, 16 (2001): 94–105.

⁵³ Ward and Kingdon. *Land, Custom, ...* ; pages 242–244.

⁵⁴ Harold Brookfield, Frank Ellis, and Ralph Ward. *Land, cane and coconuts: papers on the rural economy of Fiji*, (Canberra: Australian National University), p. 56.

⁵⁵ Cf. Kurer, *opcit*

⁵⁶ Landes *opcit*, pages 116–117.

In the colonisation of the Caribbean, African slaves were brought in to work the industry since white free labour would not do the work. The abuse of the slaves was condoned because the authorities then believed that the natives had souls but were not sure if the blacks did.⁵⁷ With respect to treatment of workers brought under the indenture system, Fiji was similar. There is surprising consensus amongst researchers that indenture in Fiji was “harsh, oppressive and exploitative”.⁵⁸ It was harsh because of a monopoly miller having at its disposal a labour-contract with penal sanctions; it was oppressive given the miller operated in a colony of “less than impartial judiciary, and a tenor in white society of contempt towards *grimitya* [i.e. indentured workers]”⁵⁹; and, it was exploitative since the labourers “were looked upon as sugar-producing machines”.⁶⁰ A dominant foreign investor whose operation was critical to the solvency of the colony was lent the power to extract surplus from the labourers through the complicity of the colonial administration.

Colonial Fiji provided the complete recipe for rent extraction. Wolf and Mintz note that the requirements for foreign investment in other environments included: (i) a technology capable of producing a surplus; (ii) ‘class stratification’ so as to provide differential access to factors of production and thus the opportunity for rent extraction; (iii) the existence of an international market for the product; (iv) opportunities for capital accumulation; and, (v) a political-legal system conducive to each of the above, including in sanctioning and supporting rent extraction by the elite.⁶¹ Sugar in colonial Fiji met each of the above-enumerated conditions.

Means to Rent Extraction

Sugar production in Fiji, much like that of the XIX Century in the West Indies, relied on a ‘factory central model’ where small-scale plantations, created through land gifted by the Crown, provided sugarcane to a single, centralised, large grinding mill.⁶² CSR at its inception had its own plantations but also relied on the supply of sugarcane by European planters. Indentured workers were at first divided between the planters and CSR, but over time the planters withdrew as profits fell.

⁵⁷ *Ibidem*, p. 117.

⁵⁸ David Munro “In the Wake of the Leonidas: reflections on Indo-Fijian indenture historiography”. *The Journal of Pacific Studies*, Volume 28 (2005), pp. 93–117, quote from p. 102.

⁵⁹ David Munro. “In the Wake of the Leonidas: Reflections on Indo-Fijian Indenture Historiography”. *The Journal of Pacific Studies* Volume 28, no. 1 (2005): 93–117, quote from p. 96.

⁶⁰ Gillion, *Fiji’s Indian Migrants...*, 128.

⁶¹ Eric Wolf and Sidney Mintz. “Haciendas and Plantations in Middle America and the Antilles”. *Social and Economic Studies* 6, no. 3 (1957): 380–412.

⁶² Mintz, S.W. “The Culture History of a Puerto Rican Sugar Cane Plantation: 1876–1949”. *The Hispanic American Historical Review* 33, no. 2 (1953): 224–51.

As indenture was being phased out, CSR began settling time-expired labourers on small plots of land around their mills. This process gave rise to the smallholder sugarcane growing sector that, at its peak in the early 1990s, had 21,000 families engaged in farm production.⁶³

Rent extraction by CSR took place from the moment the labourers arrived on the shores of Fiji. Wages paid to the indentured workers were less than what would have been the case in a competitive market. What constitutes a competitive market is debatable, thus two separate shadow wages – namely, those the workers were earning prior to their departure from India and the wages of native labourers in Fiji – are used. On the first, real (inflation adjusted) wages for indentured labourers in Fiji were lower than in India while the hours of work and the level of effort expended were higher. Andrews and Pearson, for example, report the cases of several workers whose earnings in terms of purchases of food in Fiji fell short of what they received in India.⁶⁴ Second, while the indentured workers were paid one shilling per day, labourers at the CSR operated wharf in Lautoka as of 1916 were paid twice the amount, which was raised to three shillings per day following a strike.⁶⁵ Additionally, overtasking (meaning allocation of tasks above that deemed possible by an adult in six hours) and payment of wages below the agreed minimum was common.⁶⁶

The creation of the smallholder sector was hailed by CSR as a success.⁶⁷ Initially, the company subdivided its plantations into small blocks and sold the rights to grow sugarcane to time-expired indentured workers but under highly restrictive lease conditions. The plots provided by CSR ranged from 2.5 to 5 acres and came with a regimented program of sugarcane cultivation – one plot under plant cane, another with ratoon cane, a third under preparation, and the fourth left fallow, with the proviso that “the tenancy would be terminated if the tenant used the land in a manner not approved by CSR”.⁶⁸ Many growers claimed that this arrangement was no different to indenture.⁶⁹ The shift to smallholder sugarcane farming was deliberate on the part of CSR and designed to achieve four specific objectives; namely: (i) to provide a sustained source of labour for the company; (ii) to maximise the output of sugarcane from the land; (iii) to diversify the political risk of taxation of rents by the colonial government; and, (iv) to minimise the risks of farming, including the insecurity of land tenure and the

⁶³ Paresh Narayan and Biman Prasad. “Economic Importance of the Sugar Industry for Fiji”. *Review of Urban & Regional Development Studies* 17, no. 2 (2005): 104–14.

⁶⁴ Charles Andrews and William Pearson. “*Indentured Labour in Fiji: An Independent Enquiry*”. (Suva, Fiji: 1916), p. XI.

⁶⁵ Kenneth Hince “Man with a mission: Edward Sanday”. *Pacific Island Monthly* (1987), 40–45.

⁶⁶ Cf. Moynagh, 1981; Narsey, 1979; Knapman, 1987.

⁶⁷ CSR. *Sugar in Fiji*, (Sydney: Colonial Sugar Refining Company), 3, passim.

⁶⁸ Narsey, “Monopoly Capital, ...”, 108.

⁶⁹ Andrews and Pearson, “*Indentured Labour in Fiji: ...*” (Suva, Fiji: 1916), VII.

impacts of adverse weather including droughts and cyclones. Each of the above is explained in some detail next.

The small size of the farms and their location close to the sugar mills meant that the settled families could meet all of their labour needs and were in a position to supply excess labour to the mills. CSR limited the use of its transportation infrastructure to sugarcane, thus curtailing options for other income-generating activities.⁷⁰ The highly seasonal nature of demand for workers for the cultivation, harvesting, and milling of sugarcane made the presence of surplus workers within the vicinity of the mills critical to the profitability of CSR. On (ii), the small size of the plots made mechanisation uneconomic, thus labour-intensive forms of cultivation remained dominant. In sharp contrast to Queensland and Mauritius, the smallholders to this day use animal power and all sugarcane is harvested manually, with every area of land used to grow the crop. On (iii), nearly a quarter of the population is either directly or indirectly dependent on sugar, making the industry of considerable political importance.⁷¹ As an example, attempts to raise taxes on CSR proved difficult given the chorus of support the company drew each time a policy was seen as harming the industry.⁷² Finally, and in sharp contrast to the consolidation of farms and the purchase of haciendas by large corporations in Puerto Rico, the number of smallholders grew over time.⁷³

Why did the indentured workers accept working conditions worse than what prevailed in India and outside of the sugar industry? The answer lies in agency and information problems. First, over 80 percent of indentured labourers were recruited under “some deceit” and “indenture [was] neither a free nor an intelligent contract”.⁷⁴ Second, the penal clauses of indenture (which were not explained to the labourers at recruitment) amounted to bondage from which the labourers were unable to escape, as the cost of escape was prohibitive and the social support mechanisms to seek redress absent. Tinker describes indenture as ‘a new system of slavery’, differing from the old (i.e. chattel slavery) only in terms of its temporariness.⁷⁵ Third, indenture marooned the labourers in Fiji since they were considered as ‘out castes’ in India and robbed of their assets on return.⁷⁶ The only exit was suicide and amongst indentured workers the rate of suicide was six times that of free Indian migrants to the colony and 15 times

⁷⁰ Moynagh. *Brown or white...*, 55–58, 124–130.

⁷¹ Narayan and Prasad. “Economic importance of the sugar industry for Fiji” *Review of Urban & Regional Development Studies*, 17, 104–114.

⁷² Moynagh. *Brown or white...*, 160.

⁷³ *Ibidem*, 123.

⁷⁴ Andrews and Pearson. “*Indentured labour in Fiji ...*”, 5, 18.

⁷⁵ Tinker (1974), pp 432.

⁷⁶ Sanadhya, 1991, p. 5.

that of their originating province in India.⁷⁷ Fourth, the process of indenture debased the labourers from their communities, making it difficult for them to organise a unified response to CSR. Fifth, the dependence of the labourers on cash for food purchased from CSR stores and them being quarantined from the indigenous population by the policies of the colonial administration left them in the claws of the predator (CSR). The rations provided by CSR cost 81 percent of adult male average earnings.⁷⁸ These experiences of indentured workers in Fiji have close parallels to the “menacing” socio-political conditions for labourers (*agregados*) in Puerto Rican sugar cane plantations where the “threat of losing one’s house, one’s job, one’s credit at the company store, hung over everyone”.⁷⁹ Finally, a belief in karma (fatalism) may have encouraged submissiveness.

Rent extraction from indentured labourers also took place via differential access to public services. Public service provisions, including access to education and healthcare, were captured by the elite, comprising the resident European and indigenous populations. Per child government expenditure on schools for children aged from 5 to 14 years in 1928, as an example, was £8 pounds for Europeans, 12 shillings for indigenous Fijians, and 5 shillings for Indo-Fijians. Thus, while 91.5 percent and 80 percent of European and indigenous Fijian children in the 5 to 14 year age cohort were in school, respectively, the corresponding figure for Indo-Fijians was 17.5 percent.⁸⁰ There is consensus amongst researchers that the beneficiaries from the colonial sugar industry included the government, foreign capitalists via CSR, landowners, and merchants.⁸¹

Politics of Rent Extraction

The majority of smallholders are Indo-Fijians growing sugarcane on native land.⁸² The smallholders comprise a large constituency that aspiring political leaders have drawn upon. Access to land for growing sugarcane has remained a major issue of contention between the Indo-Fijians and indigenous Fijians.⁸³ And the tussle for rents arising from the sugar industry takes place in three distinct tiers. The top most tier comprises of the monopoly miller versus the multiple

⁷⁷ Bruce Knapman. *Fiji’s economic history, 1874–1939: Studies of capitalist colonial development* (Canberra: Australian National University, 1987), p. 13.

⁷⁸ Knapman, 1987; p. 51

⁷⁹ Mintz, 1953: p. 249.

⁸⁰ Gillion, 1977; p. 122

⁸¹ Cf. Andrews and Pearson (1916), Narsey (1979), Moynagh (1981) Knapman (1985).

⁸² Narayan and Prasad, 1985; 3.

⁸³ Padma Lal and Mahendra Reddy, “Old wine in a new bottle? Proposed sugar industry restructuring and land conflict in Fiji”, *Pacific Economic Bulletin* 18 (2003), 79–99.

growers; the second tier comprises the NLTB versus the growers; and the third tier constitutes the chiefs versus the rest in the indigenous community. As noted earlier, the bulk of rental payments accrued to indigenous chiefs and the NLTB. While CSR departed in 1969 and Fiji gained independence in 1970, the politics of rent extraction between the indigenous landowners and the descendants of the indentured labourers remains. The ethnic parallel between tenants and landowners whereby the conditions for leasing of land are debated and agreed to in the national parliament has institutionalised rent-seeking and centralised the politics of race. Furthermore, sugarcane is grown and milled in the north western half of the two main islands while the capital is located in the south east of the main island, providing a geographic (East-West) divide on the competition for sugar rents as well.

Conclusion

Colonialism was about Commerce, Civilisation, and Christianity.⁸⁴ While this comment was observed for the continent of Africa, it applied equally well to the Fiji Islands located in the South West Pacific. The complex interactions between culture, economy, and social history emanating from the production of sugar in distant places under capitalism and with the support of slavery and indentured workers has been studied in detail in the Caribbean and Puerto Rico.⁸⁵ Many of these observations translate to Fiji. I have argued that the coups in contemporary Fiji and the ethnic strife the nation has experienced the past Century are the products of extractive economic and exclusionary political institutions implanted at colonisation. The introduction of Indian indentured labour helped with rent extraction and lent the cover for the coups as an inter-ethnic struggle when the reality was a struggle amongst chiefs, across tribes, and between the communities from east and west of the mainland of Vitilevu.

The case study of profits and power from indentured workers brought to Fiji illustrates how a monopoly miller of sugarcane with complicity of the colonial administration was able to extract economic surplus and ship this abroad in the form of profits. CSR, in short, used (abused) its might in the colonial economy and its monopoly position in the sugar industry to extract surplus from owners of land and labour. And with the colonial administration, it left behind institutions that created ethnic divisions in society that have had a lasting detrimental impact on the economy and national politics. Rent extraction and elitist politics has undermined political and economic freedom in postcolonial Fiji.

⁸⁴ Cf. Sultan Barakat, *After the conflict: Reconstruction and development in the aftermath of war* (London: IB Tauris, 2005).

⁸⁵ Cf. Sidney Mintz, *Sweetness and Power: The place of sugar in world history* (New York: Penguin Books, 1986).

The political economy of indirect rule put in place at colonisation created a polity that maintained its hegemony and which impeded the development of inclusive (egalitarian) institutions and thus the efficient adjustment of the legal system, a feature of 'common law' jurisdictions, to the changing demands of the economy with the passage of time.⁸⁶ Institutions put in place to protect and promote the welfare of the privileged have resulted in multiple coups in postcolonial Fiji. The coups have been the outcome of a schism created by an electoral system grounded in universal, albeit limited, suffrage conflicting with rent-extraction by an elite that has maintained this privilege since colonisation.

Fiji's case is not unique. There is a large and growing literature on the contribution of property rights to individual freedom and national prosperity.⁸⁷ Here, I have used a single case study to provide support to the view that exclusionary political and extractive economic institutions seeded at colonisation have led to political strife and economic plight in a nation a century later. A single study cannot prove a general point; but this study adds to the body of cross-country studies showing that inequality and coloniser incentives for settlement explain lasting divergences in economic prosperity across nations.

Satish Chand

Socio-Political Consequences of Forced Migration: The Case of Indian Indentured Workers to Fiji

Summary

During the period of 1879 to 1916, 60 thousand Indian indentured workers were shipped from India to Fiji to supply labour to a nascent sugar industry. The system of indenture bonded the workers for a minimum of 5 years to their employer, the Colonial Sugar Refining Company of Australia (CSR). The economic reality of indenture, however, was that the majority of the workers were stranded in Fiji for generations. CSR departed in 1969 and Britain as the colonial power left a year later, leaving behind a deeply divided polity with ethnicity and race at the centre of political struggle. Since its independence in 1970 Fiji has had four military coup d'états and in the process transformed itself from being a nation of immigrants to one of emigrants. Economic decline and poverty, in the meantime, accelerated: the proportion of the population with income below the national poverty line increased from one in eight in 1977 to one in four by 1990 and one in three by 2002. It is, on all indications, still rising. Here I narrate the political and socio-politico-economic consequences of indenture to Fiji.

⁸⁶ See Ross Levine, *Law, endowments, and property rights* (Cambridge, Mass.: National Bureau of Economic Research, 2005), 3 passim.

⁸⁷ Cf. Daron Acemoglu and James Robinson *Why nations fail* (London: Profile Books, 2012).